

HIGHLANDS INDEPENDENT BANCSHARES, INC.

	CPP Disbursement Date 03/06/2009	RSSD (Holding Company) 2638014	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2012 \$ millions	2013 \$ millions	%chg from prev		
Assets	\$252	\$242	-3.7%		
Loans	\$140	\$126	-10.1%		
Construction & development	\$12	\$11	-15.0%		
Closed-end 1-4 family residential	\$42	\$39	-7.9%		
Home equity	\$12	\$11	-10.3%		
Credit card	\$0	\$0			
Other consumer	\$4	\$3	-23.8%		
Commercial & Industrial	\$14	\$12	-7.7%		
Commercial real estate	\$40	\$35	-12.9%		
Unused commitments	\$24	\$25	1.1%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$33	\$39	20.1%		
Asset-backed securities	\$0	\$0			
Other securities	\$29	\$15	-49.1%		
Cash & balances due	\$25	\$37	47.0%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$238	\$230	-3.4%		
Deposits	\$236	\$227	-3.5%		
Total other borrowings	\$0	\$0	-100.0%		
FHLB advances	\$0	\$0	-100.0%		
Equity					
Equity capital at quarter end	\$14	\$13	-8.5%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$1	NA		
Performance Ratios					
Tier 1 leverage ratio	5.2%	5.3%	--		
Tier 1 risk based capital ratio	8.8%	9.4%	--		
Total risk based capital ratio	10.1%	10.6%	--		
Return on equity <sup>1</sup>	-42.2%	-18.5%	--		
Return on assets <sup>1</sup>	-2.5%	-1.0%	--		
Net interest margin <sup>1</sup>	3.5%	3.5%	--		
Coverage ratio {(ALLL+Alloc transfer risk)/Noncurrent loans}	97.0%	127.3%	--		
Loss provision to net charge-offs (qtr)	64.6%	1.3%	--		
Net charge-offs to average loans and leases <sup>1</sup>	1.9%	1.2%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2012	2013	2012	2013	
Construction & development	19.8%	1.1%	1.3%	1.3%	--
Closed-end 1-4 family residential	4.8%	5.7%	0.3%	0.6%	--
Home equity	1.5%	0.1%	0.8%	0.2%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.0%	0.4%	0.6%	0.2%	--
Commercial & Industrial	1.0%	1.0%	1.3%	0.0%	--
Commercial real estate	4.4%	2.6%	0.1%	0.0%	--
Total loans	5.3%	2.7%	0.5%	0.3%	